



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 16, 2008

Mr. David N. Link
Vice President
Raton Gas Transmission
223 N. Guadalupe #274
Santa Fe, New Mexico 87501-1850

CPF 2-2008-1009M

Dear Mr. Link:

On July 22 – 24 and August 5 – 6, 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Raton Gas Transmission's (Raton) procedures for operator qualification (OQ), pipeline integrity management (IM), and operations and maintenance in Raton, New Mexico.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Raton's plans or procedures, as described below:

1. **§192.911 What are the elements of an integrity management program?**
An operator's initial integrity management program begins with a framework (see § 192.907) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the following elements. (When indicated, refer to ASME/ANSI B31.8S (ibr, see § 192.7) for more detailed information on the listed element.)
(p) A process for identification and assessment of newly-identified high consequence areas. (See § 192.905 and § 192.921.)
§192.905(c) Newly identified areas. When an operator has information that the area around a pipeline segment not previously identified as a high consequence area could satisfy any of the definitions in § 192.903, the operator must complete the evaluation using method (1) or (2). If the segment is determined to meet the definition as a high consequence area, it must be incorporated into the operator's

baseline assessment plan (BAP) as a high consequence area within one year from the date the area is identified.

Raton's *Pipeline Integrity Management Plan, Revised August 1, 2008* states that on an annual basis Raton's transmission pipeline system will be reviewed for high consequence area identification by the maintenance crew walking the pipeline using Patrolling Form 11000 found in Procedure 30 of Raton's Operations and Maintenance (O&M) Manual looking for identified sites within 100 meters of the pipeline. Neither Procedure 30 of Raton's O&M Manual, nor Form 11000, addresses the check for identified sites nor defines what an identified site is.

2. **§192.605 Procedural manual for operations, maintenance, and emergencies.**
 - (a) **General.** Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.
 - (b) **Maintenance and normal operations.** The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.
 - (2) **Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.**

- a. **§192.479 Atmospheric corrosion control; General.**
 - (a) **Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.**

Raton's O&M Manual *Procedure 200 – External Corrosion Control – Monitoring* requires that above ground pipelines or portions of pipelines exposed to the atmosphere be inspected and any areas of atmospheric corrosion found shall be cleaned and either coated or jacketed with a material suitable to prevent atmospheric corrosion. The procedure does not require that each pipeline or portion of pipeline that is exposed to the atmosphere be coated to prevent atmospheric corrosion, just those on which atmospheric corrosion has been found.

- b. **§192.455 External corrosion control: Buried or submerged pipelines installed after July 31, 1971.**
 - (a) **Except as provided in paragraphs (b), (c), and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following:**
 - (1) **It must have an external protective coating meeting the requirements of §192.461.**

§192.461 External corrosion control: Protective coating.

(a) Each external protective coating, whether conductive or insulating, applied for the purpose of external corrosion control must—

- (1) Be applied on a properly prepared surface;**
 - (2) Have sufficient adhesion to the metal surface to effectively resist underfilm migration of moisture;**
 - (3) Be sufficiently ductile to resist cracking;**
 - (4) Have sufficient strength to resist damage due to handling and soil stress; and,**
 - (5) Have properties compatible with any supplemental cathodic protection.**
- (b) Each external protective coating which is an electrically insulating type must also have low moisture absorption and high electrical resistance.**
- (c) Each external protective coating must be inspected just prior to lowering the pipe into the ditch and backfilling, and any damage detrimental to effective corrosion control must be repaired.**
- (d) Each external protective coating must be protected from damage resulting from adverse ditch conditions or damage from supporting blocks.**

Raton's O&M Manual *Procedure 200 – External Corrosion Control – Monitoring and Procedure 190 – Examination of Exposed Pipe and Determination of Remaining Strength* require that each buried or submerged pipeline be protected by the installation of an acceptable external protective coating and that the coating be properly applied after cleaning the pipe to bare metal. Raton's procedures do not address the requirements for an acceptable coating, that it be protected from damage, nor that it be inspected prior to backfilling. Raton uses Tape Coat and coal tar as it's approved external protective coatings and this is not addressed in the procedures.

c. §192.463 External corrosion control: Cathodic protection.

(a) Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in Appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.

Appendix D—Criteria for Cathodic Protection and Determination of Measurements

I. Criteria for cathodic protection—

A. Steel, cast iron, and ductile iron structures.

(1) A negative (cathodic) voltage of at least 0.85 volt, with reference to a saturated copper-copper sulfate half cell. Determination of this voltage must be made with the protective current applied, and in accordance with sections II and IV of this appendix.

II. Interpretation of voltage measurement. Voltage (IR) drops other than those across the structure electrolyte boundary must be considered for valid interpretation of the voltage measurement in paragraphs A(1) and (2) and paragraph B(1) of section I of the appendix.

Raton's O&M Manual *Procedure 200 – External Corrosion Control – Monitoring* establishes a protective level of at least negative 0.85 volts DC with the protective

current applied. Raton has a sacrificial anode cathodic protective system and Raton technicians take readings with the protective current applied and with the current interrupted to produce an IR free reading. The requirement to consider IR drop is not addressed in the procedure, nor does the procedure reflect the task being performed by Raton technicians which accounts for IR drop.

- d. **§192.453 General. The corrosion control procedures required by §192.605(b)(2), including those for the design, installation, operation, and maintenance of cathodic protection systems, must be carried out by, or under the direction of, a person qualified in pipeline corrosion control methods.**

Raton's procedures do not address that the corrosion control procedures will be carried out by, or under the direction of, a person qualified in pipeline corrosion control methods.

- e. **§192.471 External corrosion control: Test leads.**
(a) Each test lead wire must be connected to the pipeline so as to remain mechanically secure and electrically conductive.
(b) Each test lead wire must be attached to the pipeline so as to minimize stress concentration on the pipe.
(c) Each bared test lead wire and bared metallic area at point of connection to the pipeline must be coated with an electrical insulating material compatible with the pipe coating and the insulation on the wire.

Raton's O&M Manual *Procedure 200 – External Corrosion Control – Monitoring* requires that all damaged test stations be repaired but it does not address the requirement that the test lead be securely attached to the pipeline, electrically conductive, and that the test lead and bared metallic area at the point of connection be coated. Raton addresses these in their evaluation "E8 - Ability to Attach Wire to Pipe by Thermoweld Procedure" of Raton's OQ program.

- f. **§192.491 Corrosion control records.**
(c) Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to §§192.465(a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service.

§192.461 External corrosion control: Protective coating.

- (c) Each external protective coating must be inspected just prior to lowering the pipe into the ditch and backfilling, and any damage detrimental to effective corrosion control must be repaired.

Raton's O&M forms do not address the inspection and repair of coating prior to backfilling. *Form 1010 – Report of Corrosion Leaks, Breaks, and Pits* records the type

of coating applied but not inspection and repairs of the coating and *Form 6000 General Pipeline Repair Record* does not address coatings used in repairs.

g. §192.481 Atmospheric corrosion control: Monitoring.

(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months
Offshore	At least once each calendar year, but with intervals not exceeding 15 months

§192.491 Corrosion control records.

(c) Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to §§192.465(a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service.

Raton's O&M Manual *Procedure 200 – External Corrosion Control – Monitoring* requires that parts the exposed to the atmosphere be inspected at least once each calendar year and that where areas of atmospheric corrosion are found Form 1060 will be completed. Raton is performing the atmospheric corrosion inspection as part of their pipeline patrol and documenting the results on *Form 11000 – Pipeline Patrolling Record*. The performance of the atmospheric corrosion inspection as part of the pipeline patrol, and its documentation on *Form 11000 – Pipeline Patrolling Record* is not addressed in *Procedure 30 – pipeline Patrolling*.

3. §192.615 Emergency plans.

(b) Each operator shall:

(2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.

Raton's O&M Manual *Procedure 180 – Emergency Plan* requires that all Raton emergency response personnel be trained regarding the provisions of the Emergency plan on an annual basis but it does not verifying that the training is effective.

4. §192.615 Emergency plans.

(b) Each operator shall:

(3) Review employee activities to determine whether the procedures were effectively followed in each emergency.

Raton's O&M Manual *Procedure 180 – Emergency Plan* requires that after each emergency event a review of all facts and response activities will be conducted to determine the effectiveness of the response and establish areas of response that could be improved. The procedure does not specifically address the review of employee actions to determine that the procedures were effectively followed during the emergency.

5. §192.243 Nondestructive testing.

(b) Nondestructive testing of welds must be performed:

(1) In accordance with written procedures; and

(2) By persons who have been trained and qualified in the established procedures and with the equipment employed in testing.

Raton's O&M Manual *Procedure 110 – General Pipeline Repair* requires that repaired areas be nondestructively tested and meet the same quality requirements for a new weld. Neither procedure 110, nor other Raton procedures, address the requirements that nondestructive testing must be performed in accordance with written procedures and by persons who have been trained and qualified in the established procedures and equipment used in the testing.

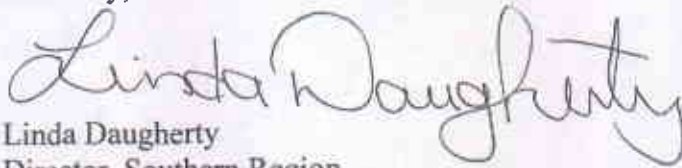
Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 45 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 2-2008-1009M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in cursive script that reads "Linda Daugherty". The signature is written in dark ink and is positioned above the printed name and title.

Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*